



STATE OF INDIANA

Todd Rokita, Secretary of State

J. Bradley King, Co-Director
Pamela Potesta, Co-Director

Indiana Election Division
302 West Washington Street, Room E204
Indianapolis, Indiana 46204-2767
Phone: (317) 232-3939
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November 27, 2007

Richard A. Sauber
Robbins, Russell, Englert, Orseck,
Untereniner & Sauber LLP
1801 K Street N.W., Suite 411L
Washington, D.C. 200006

Dear Mr. Sauber:

We received your letter dated November 7, 2007 wherein you reported certain violations of Indiana campaign election law with respect to the firm Edwards and Kelcey, Inc., ("EK") which is a firm that was acquired by your client, Jacobs Engineering Group Inc. We appreciate your voluntary disclosure of these campaign finance violations.

As you may be aware, a person who "makes a contribution in the name of another person" is subject to civil penalty pursuant to IC 3-9-4-16(a)(6). The penalty for making a contribution in the name of another person is set forth in IC 3-9-4-16(d) as "not more than one thousand dollars (\$1,000), plus any investigative costs incurred and documented by the election division."

The only contribution identified in your letter that was made to a committee that files campaign finance reports with the Indiana Election Division is the \$175 contribution made to the Indiana Republican Party. You indicate that Thomas Ford provided the funds to the committee but was reimbursed on December 15, 2005 by EK.

The Indiana Election Division is authorized pursuant to IC 3-9-4-20 to enter into settlement agreements with persons who violate Indiana campaign finance law if the person is notified that the Commission may assess a proposed civil penalty. As successor to EK we are notifying your client, Jacobs Engineering Group Inc., by this letter that the Commission may assess a civil penalty of not more than one thousand dollars (\$1,000), plus any investigative costs incurred and documented by the election division, for the violation described above.

167 A settlement agreement entered into under IC 3-9-4-20 must provide for the payment of the entire proposed civil penalty not later than the date of the execution of the agreement and be presented to the Commission by the Indian Election Division for ratification at the Commission's next regularly scheduled meeting. We have enclosed a settlement agreement for the violation described above for your consideration.

If your client does not wish to enter into a settlement agreement then this matter will be taken to the Commission at a meeting to be scheduled by the Commission chairman. If you choose to appear before the Commission we deem it appropriate to mention that the Commission has viewed persons who have disclosed their violation in a favorable light.

With respect to the remaining violations disclosed in your letter, since they involve candidates for local office in Marion County we are forwarding a copy of your letter to the Marion County Election Board.

Please let us know if you should have any questions.

Very Truly Yours,



J. Bradley King
Co-Director
Indiana Election Division



Pam Potesta
Co-Director
Indiana Election Division

cc: Marion County Election Board ✓

Temporary/campaign finance violation letter

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November 7, 2007

VIA CERTIFIED MAIL

Indiana Secretary of State
HAVA/Elections Division
Indiana Government Center South
302 West Washington Street
Room E-111
Indianapolis, IN 46204

RECEIVED
NOV 15 11:35
INDIANA ELECTIONS DIVISION

Re: Jacobs Engineering Group

Dear Sir or Madam:

This firm represents Jacobs Engineering Group Inc., a publicly traded corporation that provides professional technical services to public and private clients across many markets. The Company has directed me to submit this voluntary disclosure of certain campaign finance violations that occurred under the circumstances described below.

Background:

In early 2007 Jacobs began discussions to acquire Edwards and Kelcey, Inc., ("EK"), a privately-held engineering services firm based in New Jersey with offices around the country. During the course of those discussions, pursuant to due diligence conducted by both companies, Jacobs discovered that EK had reimbursed several EK employees in the past for what appeared to be certain state election contributions in apparent violation of state law.

The parties agreed that EK should ask its outside accounts, WISS & Company LLP of Livingston, New Jersey, to perform an audit to determine the extent of the apparent reimbursement problem. WISS performed two audits of certain EK records dated February 15, 2007 and March 1, 2007. In those reports WISS identified a limited number of small contributions made by EK employees to Indiana state election campaigns for which those employees sought and obtained reimbursement from EK in apparent violation of applicable Indiana laws.

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Subsequently, the undersigned was asked by Jacobs management to conduct an internal investigation into these matters. The transaction to purchase EK by Jacobs closed on April 5, 2007.

Findings:

We interviewed all the former EK employees who are still employed by Jacobs and who received the inappropriate reimbursements. We also interviewed all former EK employees who are current Jacobs employees with any knowledge of the events in question. We reviewed the WISS audit reports and interviewed the auditor responsible for their preparation. We concluded that during the period 2003-2007 EK inappropriately reimbursed various employees for a number of Indiana state campaign contributions. We concluded that these inappropriate reimbursements were made through administrative sloppiness, lack of training, lack of EK corporate guidelines, and ignorance of applicable laws. We found no evidence of deliberate personal or corporate efforts to circumvent the applicable laws.

Jacobs Response to the Investigation:

Jacobs instructed counsel to make full voluntary disclosures of these events to the appropriate authorities.

Jacobs also took steps to ensure that the recently acquired EK employees, as well as the other Jacobs employees, are all well-educated in the applicable election laws and procedures. Jacobs also took steps to review its administrative procedures to ensure that political contributions were not inadvertently reimbursed.

The individuals who were inappropriately reimbursed who are still employed at Jacobs were instructed to reimburse the company for the amounts involved.

Reimbursements:

EK, prior to the acquisition by Jacobs, inappropriately reimbursed the following contributions:

1. \$175 for "Indiana Republican Party" to Thomas Ford, 12/15/05
2. \$1500 for Bart Peterson for Mayor Christmas Party to James Klausmeier, 12/10/05
3. \$250 for "Reception for Mayor Peterson" to Thomas Ford, 5/16/03
4. \$500 for Bart Peterson for Mayor" to James Klausmeier, 6/12/03
5. \$100 for Dinner for Friends of Kip Tew to James Klausmeier, 7/12/03
6. \$50 for "Mike Speedy for Council" to James Klausmeier, 8/30/03
7. \$250 for "Dinner for Bart Peterson for Mayor Committee" to James Klausmeier, 10/18/03

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Conclusion:

We believe that these 7 reimbursements were not done deliberately to evade applicable laws.

We believe that these events resulted from ignorance of the laws on the part of certain employees and a failure of the EK accounting system to pick up the inappropriate requests for reimbursement.

Jacobs, as the new owners of the former EK, believes that these events should be disclosed to the appropriate authorities. The company stands ready to provide further information or to discuss this letter at any time. Please contact the undersigned if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Sauber', with a stylized, cursive flourish at the end.

Richard A. Sauber